In addition to those providers listed in Appendix 3-PED, the Medicaid program certifies a number of out-of-state participating providers as border status providers. Border status providers have practices in towns and cities near the border of Wisconsin and regularly serve Wisconsin Medicaid recipients. Certified border status providers are subject to the same policies, regulations, and reimbursement rates as instate providers.

Historically, more than 900 border status pediatricians, family practice physicians, general practice physicians, and obstetricians have been certified to provide pediatric and obstetric services to Wisconsin Medicaid recipients. Their practice patterns are expected to be similar to those of Wisconsin physicians.

3. How Medicaid Participation was Derived

Medicaid claims for HCFA-designated pediatric procedures (detailed in Appendix 5) performed between 7/1/95 and 6/30/96 by all Medicaid-certified pediatricians, family practice and general practice physicians for pediatric patients (Medicaid recipients 18 years and under) were analyzed. Providers who were reimbursed for these services were counted as participating in the Wisconsin Medicaid Program. Each provider was assigned to only one county, based on the first reported claim for that provider and to a specialty based on the reference file created by Medicaid from certification information. This differs from the methodology used by the Office of Health Care Information to identify how many physicians are practicing in each county and region. OHCI uses primary practice location and specialty as identified in its licensure survey to assign providers to counties and specialties.

Medicaid participation percentages were calculated by dividing the number of physicians in each region who provide Medicaid recipients with pediatric care by the number of physicians offering those services to the general public in each region.

4. Explanation of Regional Data

Appendix 3-PED compares the total number of actively practicing pediatricians, family practice physicians, general practice physicians, based on OHCI data, with those submitting fee-for-service Medicaid claims for pediatric services during the period 7/1/95 through 6/30/96.

Contiguous counties are grouped into 12 geographic regions, each of which is centered around one or more regional health centers and encompasses the distances health care consumers regularly travel in Wisconsin to receive medical care.

Two counties--Milwaukee and Menominee--are listed separately. Milwaukee is listed separately because of its size and importance. Menominee County is listed separately because of the uniqueness of their health care delivery systems.

Milwaukee County is the state's largest county. Milwaukee County has the largest number of Medicaid recipients who are also recipients of Aid to Families with Dependent Children (AFDC) or are enrolled in Medicaid through Healthy Start. Most Milwaukee County AFDC and Healthy Start recipients have mandatory HMO coverage.

Menominee County is considered individually because the county is entirely contained within the Menominee Indian Reservation. Health services delivered at the Indian Health Service-subsidized Tribal Health Center are not entirely reflected in Medicaid fee-for-service claims data.

5. Nurse Provider Data Limitations

Nurse practitioners and certified nurse midwives in Wisconsin practice almost exclusively in group practices, clinics and hospitals with physicians in the collaborative practice model. To the extent Medicaid recipients have access to physicians in the regions of Wisconsin, they have access to nurse practitioners and certified nurse midwives and that access is equal to that of the general population in all twelve of the health care regions of Wisconsin.

a. Nurse Midwives

Even though nurse midwives can list themselves as the performing provider on Medicaid claims, very few nurse midwives bill the Medicaid program independently. Of the 44 Medicaid certified nurse midwives in Wisconsin, none billed independently in FY 96. Nurse midwives typically bill for services under the name of their supervising physician or clinic. Despite this, there is no reason to believe that nurse midwives are any less available to Medicaid recipients than they are to the general public.

b. Nurse Practitioners

Although 343 nurse practitioners were certified during FY 96 as Medicaid providers, only five independently billed Medicaid for pediatric or obstetrical procedures during that time. However, it is still not possible to determine exactly how many nurse practitioners are available to deliver pediatric and obstetrical services for Medicaid recipients or the general population. As indicated in prior submissions, the Wisconsin Department of Regulation and Licensing (DRL) does not separately license nurse practitioners, only nurse midwives. In contrast, Medicaid separately certifies nurse practitioners and midwives.

Based on studies of nurse practitioners conducted during the early 1990s, Wisconsin believes that few certified nurse practitioners plan to set up an independent practice. Most prefer practicing with physicians as a team. The many barriers to entering the medical market, (e.g., high investment, lack of good Medicare and commercial insurance coverage) often preclude nurses from establishing an independent practice.

Given the collaborative nature of nurse practitioners, we therefore conclude that, while Nurse Midwives and Nurse Practitioners practicing independently are few in number in Wisconsin, no evidence exists to indicate that they are any more or less available to Medicaid recipients for pediatric or obstetric services than they are to the general population.

B. Payment Rates

1995-97 Biennial Budget

Reimbursement rates for physicians and other primary care providers were unchanged from last year's rates. Rates for physician assistants and nurse midwives remained at 90% of the physician maximum allowable fees, although, as before, physician assistants receive the same reimbursement as physicians for injections, immunizations, lab handling fees and HealthCheck screens. Nurse practitioners in Wisconsin still receive 100% of the physician maximum allowable fee.

The Health Personnel Shortage Area (HPSA) incentive program remains in place making incentive payments available to physician assistants, nurse practitioners, nurse midwives, and physicians with a specialty of emergency medicine, in addition to physicians with specialties of general practice, family practice, internal medicine, obstetrics/gynecology or pediatrics. The HPSA incentive payment applies to primary care services including evaluation and management visits (office, emergency department, and preventive medicine procedures,) immunizations, and selected obstetric procedures.

HPSA incentive payments remain at 20% of the physician maximum allowable fee for all primary care providers for affected pediatric codes described in Appendix 4-PED.

Maximum Allowable Fees

Appendix 4-PED lists current maximum allowable rates of reimbursement expected to be in effect as of July 1, 1997, for pediatric services (PD Modifier).

In his most recent budget address, the Governor has proposed rate increases of 1% per year for non-institutional providers in state FY 1998 and 1999. However, since these rate increases require legislative action, and if passed, would not become effective prior to July 1, 1997, they are not included in data tables for this report at this time.

FY 96 Average Payments

Appendix 4-PED lists the current maximum allowable rates of reimbursement anticipated to be in effect as of July 1, 1997, for pediatric services and the average payment to physicians, nurse practitioners and nurse midwives during FY 1996. This does not include any possible rate increases that may occur if the Governor's latest budget request passes the Legislature. Column one lists the pediatric CPT-4 codes and a description of each code. Maximum fees for pediatric services provided by primary care providers (that are "non-HPSA") are listed in the second column (Max Fee for Primary Prov.) Columns three through five list the average non-HPSA payment to physicians, NP and NM respectively. The last three columns list the average HPSA payment to primary care providers who had practices in or treated recipients from health personnel shortage areas. Reimbursement for HPSA services is 20% above the standard maximum allowable fee for eligible pediatric codes, recipients and providers.

In general, average payments for covered services cannot be higher than the amount billed by the provider or the Medicaid maximum allowable fee for the service, whichever is lower, except for HPSA and other bonus payments (PD modifier, HealthCheck, etc.) In FY 1996, only payments for preventive codes 99381 - 99384 and 99391 - 99394 exceeded the maximum allowable fee for those codes. That is because these codes are also used for HealthCheck screens, which are reimbursed at a much higher rate than ordinary preventive screens. Reimbursement for all other pediatric procedure codes was equal to or less than the current Medicaid maximum allowable fee.

Vaccine for Children (VFC) Program

The 1991-93 Biennial Budget enabled the Wisconsin Department of Health and Family Services to enter into a Vaccine Volume Purchase (VVP) Program with the Centers for Disease Control in order to increase the efficiency and number of immunizations given to Medicaid recipients. The VVP was changed to the federal Vaccine for Children (VFC) program in October 1994. Since we had VVP already in place, implementation of VFC was seamless.

Under VFC, physicians are provided vaccines free of charge and are reimbursed by the Medicaid program for the administration of each vaccine, at a rate of $3.00 per vaccine ($3.06 for primary care providers.) In addition, they may bill Wisconsin Medicaid for the office visit or other services provided during the patient encounter.

EPSDT/HealthCheck

HealthCheck activities focused on training HMOs on the requirements for HealthCheck screening and outreach and on assisting HMOs in setting up systems for screening, outreach and case management. Wisconsin Medicaid also focuses on simplifying billing, training other non-HMO primary care providers, and increasing the number of comprehensive screens billed to Medicaid.

Cooperation between the screening providers and HealthCheck outreach/case management agencies is important to the success of the program. This linkage has been stressed in all provider training and in contacts with individual providers.

As of July 1, 1994, home inspections by a qualified person and follow-up education are now covered as "HealthCheck other services" for children with lead poisoning.

Effective February 15, 1995, Wisconsin Medicaid adopted Common Procedural Terminology (CPT) codes instead of state-developed codes for billing HealthCheck comprehensive screens. CPT codes are used by most providers to bill Medicaid and other insurance companies. The State Medical Society, Wisconsin Chapters of American Academy of Pediatrics, the American Academy of Family Physicians, and the Wisconsin Medical Group Management Association reviewed this new system.

In November 1995, Wisconsin Medicaid granted waivers under Wisconsin Administrative Code HSS 106.13 (discretionary waivers and variances) to permit two organizations to be specially certified as HealthCheck outreach/case managers. These organizations, while not medically based, have strong community ties in Milwaukee's African-American and Latino communities and can be particularly effective in reaching this traditionally underserved population. As part of managed care expansion, Wisconsin Medicaid encourages HMOs to contract with both medically and non-medically oriented organizations for purposes of outreach.

Managed care expansion is expected to greatly increase the number of children receiving comprehensive screen. This has been demonstrated in counties in which managed care already exists. Additionally, DHFS' contracts with Medicaid HMOs require them to meet an 80% screening rate standard, and impose penalties if they do not.

II. Obstetric Standards

A. Provider Participation

1. Number Participating

For purposes of the obstetric standards section of this submission, participation by a provider in the Wisconsin Medicaid Program is defined as (1) having been certified by the Medicaid program as a physician (MD or DO), nurse practitioner, or nurse midwife and (2) having filed one or more claims for HCFA-designated obstetrical services to Medicaid recipients during the period from July 1, 1995 through June 30, 1996.

The number of Wisconsin primary care physicians who participate in the Wisconsin Medicaid Program exceeds 50% of the total number of primary care physicians practicing in all of the twelve health care regions (Appendix 3-OB). (Note: Appendix 3-OB includes only data from fee-for-service providers.)

Of the estimated 1,152 primary care providers offering obstetrical practices to the general public in Wisconsin, 1,120 or 97% provided fee-for-service obstetric services to Medicaid recipients in FY 96.

2. How Data was Compiled on Physicians Available to Provide Obstetric Care to Wisconsin Residents.

To estimate the number of primary care physicians available to provide obstetrical services to Wisconsin residents, data were used from the Wisconsin Office of Health Care Information (OHCI) and the Medicaid fee-for-service program. This resulted in the creation of two databases. Both databases were aggregated by county and region.

The first database was derived from a 1996 collaborative effort between OHCI and the Wisconsin Department of Regulation and Licensing. This effort surveyed physicians licensed and practicing in Wisconsin in order to identify actively practicing primary care providers.

From this survey, OHCI identified each physician's county and region, based on the primary practice location of physicians who identified themselves as having a specialty in pediatrics, family practice, general practice, or obstetrics.

The second database was composed of actual Medicaid fee-for-service claims data. In this database, practice location was identified based on the first claim identified for each Medicaid certified provider. Similarly, provider specialty was based on the Medicaid reference file created from the certification information.

Appendix 3-OB lists the total number of primary care physicians, by region, providing obstetric services to the general public and to Medicaid recipients. The number of providers serving Medicaid recipients is derived from Medicaid fee-for-service claims data. The number of providers serving the general public comes from the OHCI database.

3. How Medicaid Participation was Derived

The Department analyzed fee-for-service Medicaid claims for HCFA-designated obstetric procedures (detailed in Appendix 4-OB) performed between 7/1/95 and 6/30/96 by all Medicaid-

certified obstetricians, family practice physicians, general practice physicians, nurse midwives and nurse practitioners. Providers who were reimbursed for these services were counted as participating in the Wisconsin Medicaid Program. Each provider was counted only once in each county, based on the first reported claim identified for this purpose. Identification of specialty was based on the reference table created from certification information. This methodology differs from that used by the OHCI to identify the number of physicians practicing in each county -- OHCI used a survey to identify specialty and primary practice site.

4. Explanation of Regional Data

Appendix 3-OB lists the total number of primary care providers, by region providing obstetric services to the general public and to fee-for-service Medicaid recipients. Medicaid HMOs do collect data in a manner that can be incorporated in this analysis. The number of providers serving Medicaid recipients is derived from Medicaid claims data covering the period July 1, 1995 through June 30, 1996. The number of providers serving the general public comes from the OHCI database.

Contiguous counties are grouped into 12 geographic regions, each of which is centered around one or more regional health centers and encompasses the distances health care consumers regularly travel in Wisconsin to receive medical care.

Two counties--Milwaukee and Menominee--are listed separately. Milwaukee is listed separately because of its size and importance. Menominee County is listed separately because of the uniqueness of its health care delivery systems. Menominee County is entirely contained within the Menominee Indian Reservation.

Milwaukee County is the state's largest county. Milwaukee County has the largest number of Medicaid recipients who are also recipients of Aid to Families with Dependent Children (AFDC) or are enrolled in Medicaid through Healthy Start. Most Milwaukee County AFDC and Healthy Start recipients have mandatory HMO coverage.

Menominee County is considered individually because the county is entirely contained within the Menominee Indian Reservation. Health services delivered at the Indian Health Service subsidized Tribal Health Center are not entirely reflected in Medicaid fee-for-service claims data.

See pages 7 and 8 for an analysis of nurse practitioner and nurse midwife data.

B. Payment Rates

1995-97 Biennial Budget

Fee-for-service physicians and other primary care providers were reimbursed at FY 1994 rates for obstetric services during FY 1996. Rates for physician assistants and nurse midwives remained at 90% of the physician maximum allowable fees, although physician assistants receive the same reimbursement as physicians for injections, immunizations, lab handling fees and HealthCheck screens. Nurse practitioners in Wisconsin still receive 100% of the physician maximum allowable fee. In FY 1996, Wisconsin Medicaid permitted reimbursement for the new obstetrical procedure codes 59610 - 59622 (delivery following previous cesarean section) at the same maximum allowable fees as other vaginal and cesarean deliveries. These codes also qualify for incentive payments under the Health Professional Shortage Area program described below. Per federal directive, data for these new procedure codes is not included in Appendix 4-OB.

The Health Personnel Shortage Area (HPSA) incentive program remains in place making incentive payments available to physician assistants, nurse practitioners, nurse midwives, and physicians with a specialty of emergency medicine, in addition to physicians with specialties of general practice, family practice, internal medicine, obstetrics/gynecology or pediatrics. The HPSA incentive payments apply to primary care services including evaluation and management visits (office, emergency department, and preventive medicine procedures), immunizations, and selected obstetric procedures.

The HPSA incentive payment for Medicaid-certified obstetric service providers remains at 50% above the primary care maximum allowable fees paid to other primary care physicians for affected codes.

Fifty-nine areas of the state have received HPSA designation and are eligible for HPSA bonuses.

Maximum Allowable Fees/Average Payments

Appendix 4-OB lists the current maximum allowable rates of reimbursement anticipated to be in effect as of July 1, 1997, for fee-for-service obstetric services and the average payment to physicians, nurse practitioners and nurse midwives during FY 1996.

It does not reflect any possible rate increases that may occur if the Governor's current budget request is approved by the Legislature. Column 1 lists the maternity CPT-4 codes and a description of each code. Maximum fees for obstetrical services provided by primary care providers (that are "non-HPSA") are listed in the second column (Max Fee for Primary Prov.) Columns three through five list the average non-HPSA payment to physicians, nurse practitioner and nurse midwife respectively. The last three columns list the average HPSA payment to primary care providers who had practices in or treated recipients from health personnel shortage areas. Reimbursement for HPSA services is 50% above the standard maximum allowable fee for eligible obstetric codes, recipients and providers. Nurse Midwives receive 90% of the primary care provider rate and bill only for total obstetric care (procedure code 59400) or vaginal delivery with postpartum care (procedure code 59410).

As a rule, average payments for covered services cannot be higher than the amount billed by the provider or the Medicaid maximum allowable fee for the service, whichever is lower, except for HPSA and other bonus payments (PD modifier, HealthCheck, etc.). As demonstrated in Appendix 4-OB, no payments exceed the maximum allowable fee (effective July 1, 1997) for affected obstetric service procedure codes, except for those paid with a HPSA bonus.

III. Other Wisconsin Initiatives

Wisconsin has demonstrated its commitment to ensuring equal access to medical care for women and children who are Medicaid recipients. Ongoing initiatives include:

A. Prenatal Care Coordination

Wisconsin Act 39 (the 1991-93 Biennial Budget) provided $3.4 million (all funds) annually to create a new Medicaid benefit, care coordination for high-risk pregnant women, which became effective January 1, 1993. Care coordination agencies have as a primary task assisting pregnant recipients to access regular prenatal care and follow their physician's instructions. Prenatal care coordination services were delivered to more than 5,100 recipients in FY 1994, 8,600 in FY 1995 and 9,413 in FY 1996.

Prenatal care coordination improves high-risk recipients' access to prenatal care, and as a result, improves birth outcomes for these recipients. The Medicaid program works closely with other state agencies, local public health agencies, community-based organizations, health care providers, tribal agencies and the Wisconsin State Medical Society to ensure that women are identified early and informed about the availability of the service.